



DEPARTMENT OF STATE
BRIEFING MEMORANDUM

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To : The Secretary
From: INR - William G. Bowdler
NEA - William Crawford

Analysis of Arab-Israeli Developments
No. 514, 1600 July 22, 1978

We do not yet have a complete text of Sadat's July 22 speech, but press and Embassy Cairo reports give a clear picture of its thrust, most of which was on domestic affairs. On the Middle East aspects of the speech he sharply criticized Begin as the "only obstacle" to peace.

There were few surprises. Sadat announced his intention to form a new political party which he would lead, but he did not go into details as to how this would affect the Egyptian political system.

At the end of the two-hour speech Sadat departed from his text to discuss the peace process. According to Embassy Cairo, his main points were:

--Praise for President Carter. "I can honestly state that what we used to complain of about America during the days of Dulles and Rogers is no longer true....Carter's actions are based on ethics and principles."

--Sinai and Golan. The Egyptian peace plan dealt with only the crux of the problem--the West Bank and Gaza. Sinai and Golan were not mentioned because they were side issues.

--Separate Peace and the Palestinians. Israeli offers of a separate peace will be rejected because "we must solve the Palestinian problem."

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--Begin. "If Israel wants peace there is nothing to block it," Sadat asserted. "The only obstruction is Begin himself. He wants peace and land. We tell him 'Yes' to peace 'Yes' to guarantees, 'Yes' to security, but we say 'No' and a thousand times No to sovereignty. Peace to Begin is his "greedy ambition" for territory. "Dayan confessed at Leeds in the presence of Vance that they are after territory."

--Future Talks. Sadat made it clear that Israel would have to produce new ideas if further Middle East talks were to take place.

Embassy Cairo observes that Sadat's attack on Begin as the "only obstacle" to peace is the most severe to date. We believe that Sadat had one eye on Sunday's Israeli cabinet meeting. He undoubtedly designed his remarks to put maximum pressure on Begin and his cabinet colleagues. By failing to mention follow-on meetings to Leeds, Sadat apparently is trying to place all responsibility for the future of his peace initiative squarely on the Israelis.

Embassy Cairo comments that the inclusion of the specific reference to Dayan's insistence on the necessity of Arab territorial concession confirms that the most disturbing element for the Egyptians at Leeds was this open Israeli admission. In the Egyptian view, this is likely to overshadow some of the more constructive aspects of the talks, according to the Embassy. Ahmad Maher expressed satisfaction that the Dayan statement had been made in your presence so that the US can no longer be in doubt about Israeli intentions.

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